

## Message Text

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67

ACTION EUR-12

INFO OCT-01 ARA-06 ISO-00 SAJ-01 CIAE-00 DODE-00 PM-03

H-01 INR-07 L-02 NSAE-00 NSC-05 PA-01 RSC-01 PRS-01

SP-02 SS-15 USIA-06 IO-10 AID-05 COME-00 EB-07 FRB-01

TRSE-00 XMB-02 OPIC-03 CIEP-01 LAB-04 SIL-01 OMB-01

/099 W

----- 059027

R 162155Z JAN 75

FM AMEMBASSY SANTIAGO

TO SECSTATE WASHDC 1788

INFO AMEMBASSY BOGOTA

AMEMBASSY CARACAS

AMEMBASSY LA PAZ

AMEMBASSY LIMA

AMEMBASSY QUITO

AMEMBASSY BONN

LIMITED OFFICIAL USE SANTIAGO 0334

EO 11652: NA

TAGS: EAID, EFIN, CO, VE, BL, PE, EC, GW, CI

SUBJ: CHILE NEGOTIATES TWO FOREIGN CREDIT AGREEMENTS

REF: BONN 18907

1. ACCORDING TO JANUARY 15 PRESS REPORTS, ARRANGEMENTS HAVE NOW BEEN COMPLETED WITH FRG AND ANDEAN DEVELOPMENT CORPORATION (CAF) FOR CREDITS TOTALLING \$13.4 MILLION.

2. FRG DECISION TO UNFREEZE CREDIT OF DM 21.1 MILLION (\$8.9 MILLION) SUSPENDED FOLLOWING OVERTHROW OF ALLENDE HAS APPEARED HERE ONLY AS AP DISPATCH FROM BONN. PRIVATE COMMENTS BY GOC OFFICIALS ON RELEASE OF FORMER FORMIN ALMEYDA HAVE LINKED THIS DECISION TO FRG CREDIT AND IMPLIED THAT IMPORTANT PART OF GOC RATIONALE IN LIMITED OFFICIAL USE

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ATTEMPTING RAPID RESOLUTION OF DETAINEE PROBLEM WOULD BE TO

REMOVE POLITICAL OBSTACLES IN WESTERN EUROPE AND ELSEWHERE TO RENEWED AID TO CHILE. (GOC LEADERS IN PUBLIC, HOWEVER, MAINTAIN THAT RELEASE OF ALMEYDA AND OTHERS IS RESULT PURELY OF CHILEAN DECISION AND NOT OF FOREIGN PRESSURE.)

3. AGREEMENT SIGNED JANUARY 14, WITH CAF CALLS FOR CHILEAN CENTRAL BANK TO USE \$5 MILLION CAF LOAN TO FINANCE EXPORTS OF CHILEAN GOODS IN OTHER ANDEAN PACT COUNTRIES. SIMILAR AGREEMENTS REPORTEDLY HAVE BEEN SIGNED WITH BOLIVA, COLUMBIA AND PERU.

4. COMMENT: THESE RELATEVELY SMALL CREDITS ARE MAINLY OF PSYCHOLOGICAL IMPORTANCE HERE. IN 1975 GOC WILL NEED MASSIVE FOREIGN ASSISTANCE, WHICH WILL BE IMPOSSIBLE TO OBTAIN IF CHILE REMAINS POLITICALLY AND ECONOMICALLY ISOLATED. THOSE IN GOC PUSHING FOR IMPROVED HUMAN RIGHTS PRACTICES CAN POINT TO FRG CREDIT AS TANGIBLE EVIDENCE OF BENEFITS OF SOFTER INTERNAL POLICY.  
POPPER

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PRESS RELEASES, CREDIT AGREEMENTS, NEGOTIATIONS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 16 JAN 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** MorefiRH  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
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**Disposition Reason:**  
**Disposition Remarks:**  
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**Office:** ACTION EUR  
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